



## Business Plan

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## Executive Summary

Circle of Friends is a non-profit organization geared toward the prevention of bullying. Our company is doing this by funding and supporting anti-bullying programs in schools. By selling silicon bracelets with our slogan “be a friend” on them, we raise the money needed to support schools. Schools can also purchase the bracelets from us in bulk and then carry out their own fundraiser in their community. Circle of Friends goes one step further by connecting schools with the anti-bullying programs themselves.

During these hard economic times, schools often need to make cuts from their curriculum and programs for things like anti-bullying get overlooked and are not seen as essential to have at schools. Circle of Friends believes that bullying is a very serious issue and should not be cut from programming. We are addressing the problem of bullying and helping schools take a stand against it by providing them with a way to fund anti-bullying programs. Our business is not just another awareness campaign for bullying; it also provides funding and connections to anti-bullying programs for schools to lead their communities against bullying.

This business was founded because of the increased problem of bullying among teens and children. There have been multiple reports in the news concerning teens that have been bullied to the point of suicide; this shows that bullying is a serious issue and needs to be addressed. Various celebrities like Demi Lovato and the Obama family have also been taking a stand against bullying. Circle of Friends is looking to prevent bullying and help to find an end to the problem.

## **Market Analysis**

After reviewing the trends in bullying, we have concluded that Circle of Friends has the opportunity to make significant contributions to spreading awareness of this problem. Our use of different colored stylish rubber bracelets will help broaden the target market to the children and will enhance our product revenue.

### **Industry**

After thoroughly researching jewelry trends with children, we have found that colorful jewelry pieces attract children. We wanted to appeal to both boys and girls, which is why we chose something simple and not too feminine. By selling bracelets of different colors, students will want to buy more than one color as opposed to rainbow bracelets, which would likely yield only one bracelet sale per person. When asked to approximate the importance of color when buying products, 84.7 percent of the total respondents think that color accounts for more than half among the various factors important for choosing products([colormatters.com](http://colormatters.com)).

### **Customers**

For our customer base, we are starting our focus in Connecticut. Our target market for our product is based in the Farmington Valley area, where we will primarily focus on students, as most face to face bullying takes place at or near schools. Our pilot for the business to begin generating revenue will be at the Farmington public schools. By selling solely at Farmington public schools, it will provide us with a target market of approximately 4,200 customers. We hope to expand our

target market to not only teachers and students of the schools, but parents of the students by selling Pandora-like beads and other types of jewelry to attract a broader customer base.

### **Competition**

There are a lot of anti-bullying organizations throughout the United States. We see these not so much as threats, but opportunities to spread awareness. Our biggest competitors are other companies that sell these same bracelets, such as Livestrong and other awareness organizations, such as breast cancer awareness. It is our belief that the other anti-bullying websites and organizations will actually enhance the demand for our bracelets and attract customers to our website. Our website's purpose is not solely to provide information, but rather spreads awareness and provides the opportunity for schools to raise funds or apply for funds to bring anti-bullying programs to their schools. We plan to collect profits from the bracelets and use the funds to help customers spread awareness about bullying, whether that is school assemblies or giving customers money in order to start an anti-bullying group. We have this advantage over other companies because we do more than give information.

## SWOT Analysis

### Strengths

- ✚ The bracelets are inexpensive and easy to obtain
- ✚ There are a variety of colors for a lot of options
- ✚ Each color could represent a different group that is bullied
- ✚ Sends a good message of togetherness
- ✚ Our target market is children and adolescents, who as business owners, we can relate to
- ✚ We sell to local schools which will eventually increase public awareness when the bracelets are seen

### Weaknesses

- ✚ We are inexperienced, first time entrepreneurs
- ✚ In our school, we have not experienced extreme cases of bullying so it may not be perceived as a “major problem”, though bullying is something that needs to be addressed in every community
- ✚ The rubber bracelets tend to be a fad, which means they can go out of style. We can solve this by creating a wider range of products that appeal to a larger target market. We do believe that these bracelets, however, will always remain popular with younger children

### Opportunities

- ✚ At our school, there is an anti-bullying club that will help sell our product
- ✚ Have access to elementary and middle schools where bullying could be more of an issue
- ✚ Once we expand our business, we plan to include other circle jewelry in order to avoid fads. Some jewelry will include:
  - Rings
  - Pandora-like beads
  - Necklace pendants
  - Earrings

- Bracelets
- Pins/Broaches
- ✚ Non-profit organizations are helping spread awareness. We are hoping to partner with these organizations in order to help get our business started as well as help spread awareness for their organization
  - Stompoutbullying.org
  - Bullying.org
  - The Trevor project
  - Pacer center
  - GLSEN
- ✚ Many celebrities are now fighting against bullying and spreading awareness such as:
  - Demi Lovato
  - Ellen DeGeneres
  - Jojo
  - Lance Bass
  - The Obama Family

### **Threats**

- ✚ Other organizations are selling similar rubber bracelets which is a form of competition
- ✚ Students who are not bullied may be less likely to buy the product
- ✚ Hard to sell to younger children if parents don't send them to school with money
- ✚ With the current economic climate in our country, people are less likely to spend money on items that are not viewed as necessities

## **Company Description**

### **Mission Statement**

Bullying has become an enormous issue which has lead to responses ranging from heart break to suicide. Circle of Friends is a company that is standing up and taking a lead against bullying in order to prevent it. Through our foundation, our company's mission is to enable schools to be proactive in their communities to establish anti-bullying programs with our funding and support.

### **Company Goals and Objectives**

During the first years of our business we plan to make a local campaign in our surrounding area. In this area, we hope to inform society why it is wrong, prevent bullying from occurring and showing other alternatives to resolving conflict. Our ultimate goal is to one day make a national campaign to help more people with the issue of bullying.

### **Target Market**

Our products will be marketed towards all people. Everyone has the same probability of being bullied. We plan on starting our products with children and young adolescents and then progress to older ages. Bullying tends to happen at young ages so that will be our main target market, but parents are going to be part of the target market as well. With the expansion of our product line, we believe these additional products will have a wider appeal to a wider audience.

**Legal form of ownership**

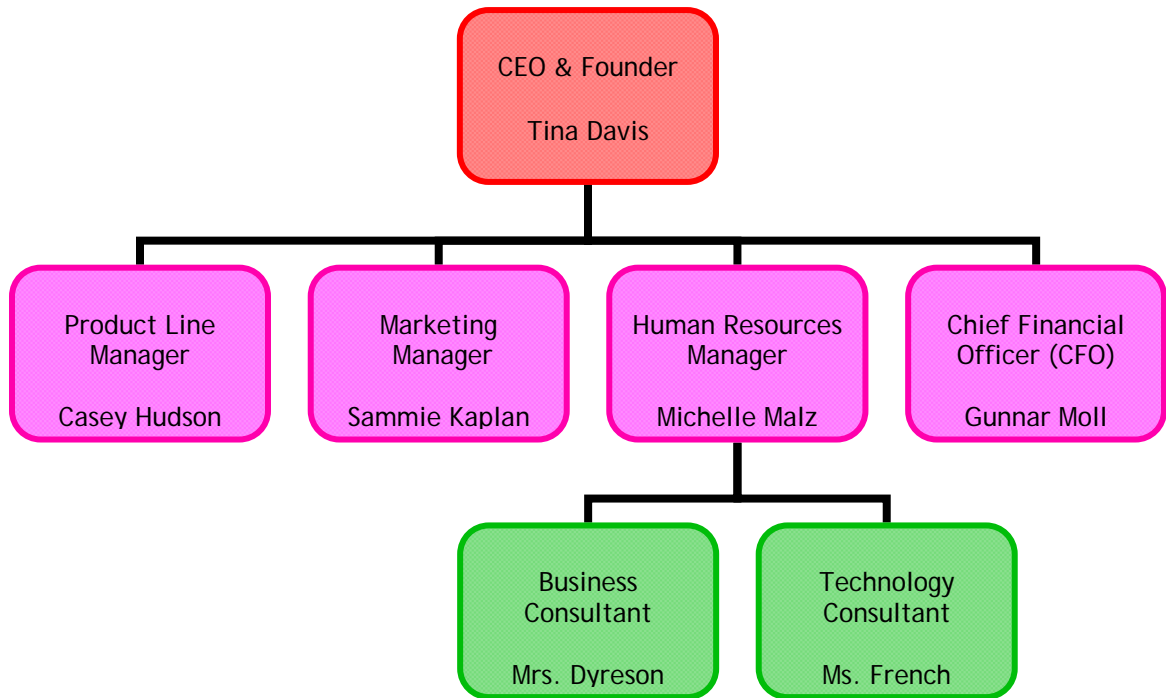
*Non-Profit Limited Liability Corporation (LLC)*

We chose this type of ownership because the individuals running the company shouldn't be held personally responsible to anything that may arise from the activities of the business. All income that is generated above our costs (profit) will be used to fund the mission of our business. That mission is to provide schools with funds to create and support anti bullying programs.

**Business Philosophy**

Our business philosophy is centered on the fact that nobody deserves to be bullied. Bullying is cruel and can be prevented. Bullying is never okay. Therefore, as a business we are willing to take one step at a time in order to make a difference and change what's happening. Through slow growth of our target market/ area and product line we hope to build a sustained business that can continually provide funding to schools for anti-bullying programs that they otherwise would not have access to.

## Organization & Management



**CEO:** A CEO's responsibilities: everything, especially in a startup. The CEO is responsible for the success of the company. At Circle of Friends, Tina's job as the CEO involves setting the tone and direction of the business. As Circle of Friends is Tina's initial creation, it is her job to make sure that vision is carried out.

**Marketing Manager:** Their overall objectives are to prepare marketing plans for organizations products or services and to make marketing policies for companies. At Circle of Friends, Sammie's job as the Marketing Manager involves researching current trends in our industry as well as determining the approach we will take in marketing our bracelets and developing our broader product line.

**Human Resource Manager:** Makes sure there is a positive work environment, motivate employees, provide employee training and monitor the needs of the employees. At Circle of Friends, Michelle's job as the Human Resource Manager involves contacting and organizing the external anti-bullying program organizations, in order to partner them with the school districts that we will be supplying grants to through the sale of our bracelets. As the company grows and expands, Michelle's role will also include recruiting and hiring new talent for our company.

**Product Manager:** Builds products from existing ideas, and help to develop new ideas based on industry experience and contact with customers. At Circle of Friends, Casey's job as product manager involves working with schools that plan to sell our bracelets as a fundraiser to develop the right product mix of colored bracelets for their school. For example, some school would like to use our pilot colors which are rainbow, while other schools would prefer to use their school colors. As our company expands, Casey's position will also include researching and developing other types of jewelry that could be sold to support our anti-bullying cause.

**Chief financial Officer:** Responsible for overseeing the financial activities of an entire company. This includes signing checks, monitoring cash flow, and financial planning. At Circle of Friends, Gunnar's job as the Chief financial officer involves monitoring the expenses our company is incurring in the process of obtaining marketing and selling our bracelets. Gunnar's position will insure that

our company can sustain its costs while making a profit to be used to support anti-bullying programs in schools.

**Business Consultant:** Provides direct services to companies, such as accounting or hiring services, or they provide analysis of a company's existing practices and recommendations for how to improve the company's success. At Circle of Friends, Mrs. Dyreson's job as business consultant involves providing expertise on the various aspects of developing a start-up business. Mrs. Dyreson acts as the liaison between our student employees, administrators and outside vendors in order to get our business up and running.

**Technology Consultant:** Provides technical expertise in areas of information systems design, software programming and development, information business strategies and system analysis. At Circle of Friends, Ms. French's job as technology consultant involved helping create a website for our business. Her expertise with web development and art direction enabled our business team members to expand their knowledge and skills in Dreamweaver and other applications.

### **Service, Product Line and Marketing Strategy**

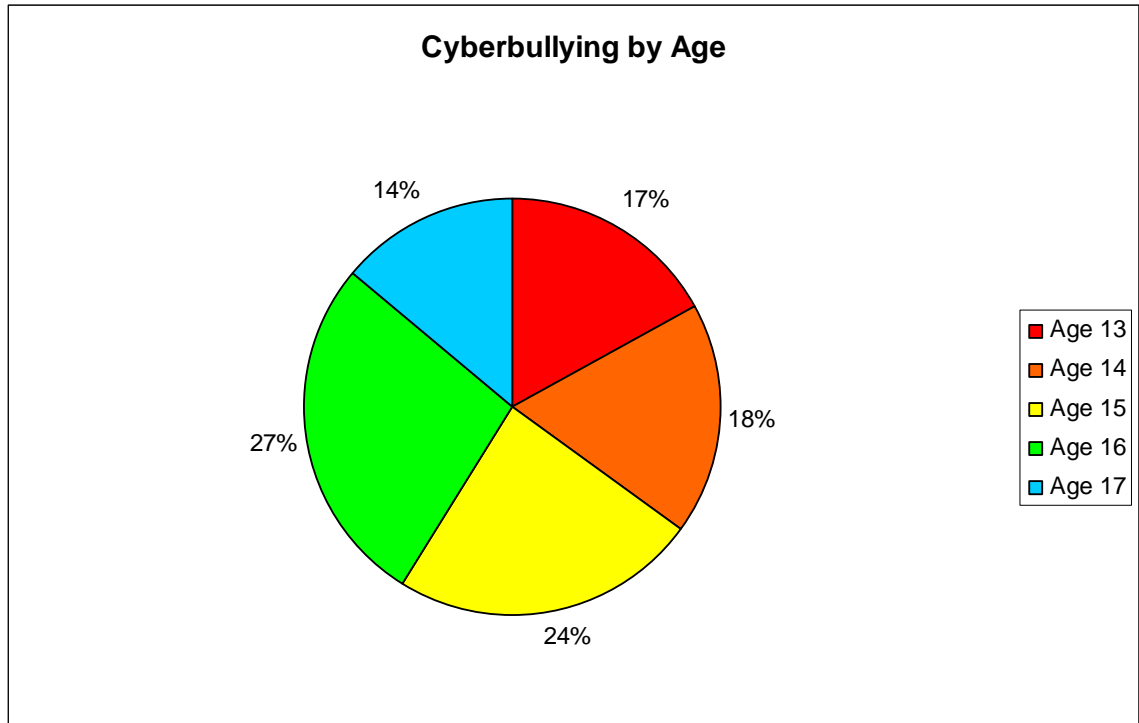
Circle of Friends is a not for profit online organization that helps to raise awareness of bullying in schools. Funds for anti-bullying programs are raised in two ways. One is that schools can apply for grants for anti-bullying programs for their school and we will give them a grant using the money from when we sell between 1 and 499 bracelets. Two is that when schools buy 500 or more bracelets they use the money raised from selling them in their own school to fund an anti-bullying program. The bracelets will be available for sale in bulk or individually. Schools can buy the bulk orders to sell in their own school to raise money as well as raise awareness. Anyone can buy the bracelets individually and the proceeds will go towards helping schools raise awareness. The bracelets will come in the colors of pink, orange, yellow, green, blue, and purple. This helps represent the colors of the rainbow which is a big part of our company, resembling how everyone is different but we can all come together to create a beautiful, happy society.

We pay about \$0.38 per bracelet and buy them in the quantity of 10,000. For orders of 1-49 bracelets we assume people are buying them for themselves or friends, so we will use the money raised to help in grants for anti-bullying programs in other schools. For orders of 50-499 bracelets we assume they are most likely going to companies or other groups that are not using the profits for fundraising so the money raised will again help fund grants for anti-bullying programs in other schools. For orders of 500+ bracelets we would assume that these are being bought by schools to help with fundraising in their own school.

The prices of the bracelets and the shipping and handling are listed in the chart below.

# of bracelets	Price per bracelet	Shipping and handling
1-5	\$2	\$1.50
6-10	\$2	\$2
11-20	\$2	\$2.50
21-49	\$2	\$3
50-499	\$1	\$9.95
500+	\$0.50	\$14.95

These prices were made based on the intent of the buyer and the number of bracelets. For orders of 1-49 bracelets they are being sold for individuals so the price is \$2 as they are not buying the bracelets to aid in their own fundraising. For orders of 50-499 we assume companies and other groups will be buying them so we slightly decrease the price as they are still not using the bracelets for fundraising but decreasing the price will influence them to buy a bigger bulk. For orders of 500+ we assume schools will most likely be selling the bracelets for fundraising we further decreased the price so that we can make somewhat of a profit off of the sale to aid our company yet the school can still sell the bracelets for a little bit more money and make enough profits to help them raise enough money for an anti-bullying program.



In a study done by Harris Interactive, they surveyed 824 youths between the ages of 13 and 17. Of those 824, 46% reported they have been bullied before. Of that 46%, 17% were age 13, 18% were age 14, 24% were age 15, 27% were age 16, and 14% were age 17. Based on this chart we can determine that our main audience should be between the ages of 13 and 17. Targeting this age group will be helpful as bullying is a big problem at these ages and the younger kids may feel influenced to follow the example of the older kids because the younger kids, elementary and middle school, tend to look up to the older kids. Using this age group we can help assure the popularity of our product, although, we may also appeal to children of younger ages as well. Adults may go to our website to gain information to help their children but it will be mainly addressed to teenagers. Silicone bracelets are an ever growing popularity among teenagers. Not only are they popular for the causes they represent but they many colors they can be

bought in. We believe that teenagers ages 13 to 17 would be easy to target as we have not seen a decrease in bracelets around the schools since their first sight of popularity in 2004 with the Livestrong bracelets helping to support cancer research. We believe that as more causes arise and as more bracelets become customizable the want for the bracelets will never dwindle, the want will always be there for the ever-changing colorful bracelets.

All ordering for the bracelets will occur online on our website. When customers buy the bracelets individually they will be charged based on the number of bracelets they get. The bracelets will then be shipped to their individual address. However, when schools buy bracelets in bulk, as long as they get 500 or more bracelets they will be charged a flat rate no matter the number. Those bracelets will then be shipped to the school where schools can use them to raise awareness in their own school by selling the bracelets to their students for a profit to help fund some kind of anti-bullying program. On the website we will also allow customers to read stories that have been bullied in their lives to the point of intense trauma and/or suicide, as well as learn about other companies that we are partnering with that help raise awareness of bullying.

We are providing links from our website to our pages on Facebook and Twitter as these are very popular websites that many teens visit daily, making it easy to spread the word of our company. A study by Harris Interactive discovered that 78% of 13-17 year olds report that they have been using the internet for 3 years or more and 55% say they have been using the internet for 5 years or more. Once we get some of our local high school and middle-schoolers to follow us the word will

spread and will hopefully reach other towns, and other states. We will also be advertising on Google ads to hopefully reach more of our target audience that are not on Facebook or Twitter. We also plan on partnering with other programs to help with raising awareness as well as obtaining the programs they offer to send to different schools to help raise awareness in the school.

**Source:**

<http://www.ncpc.org/resources/files/pdf/bullying/Teens%20and%20Cyberbullying%20Research%20Study.pdf>

### **Financials and Funding Request**

Circle of Friends is run by 5 students and 2 teachers who are staffed on a volunteer, part-time basis. A small salary will be provided to the workers as Circle of Friends generates a healthy profit.

It will cost \$14,900 to start Circle of Friends. We spent \$20 to purchase our website domain and will spend \$400 on a business license. We will spend \$3500 on laptops and \$2000 on other hardware such as a fax machine, copy machine, and a scanner. \$2000 will be spent on office furniture which will include chairs, desks, tables, and cabinets. We will spend \$3800 on startup inventory which will be 10,000 Circle of Friends bracelets. We will spend \$100 on business cards. We will spend \$500 on the security deposit on business property that we will rent.

The monthly rent is \$200/month which does not include payment on phone bills, or internet access. We will spend \$40/month on paying for the utilities in the office space which includes only electricity. We will spend \$50/month on an AT&T internet and phone connection. We will spend \$100/month on advertising and \$20/month on office supplies which will include paper, staples, etc. We will also spend \$20/month for renting a storage facility. If it takes six months to get us established we will have to spend \$14,900.

One Time Startup Costs	
Business License	400
Office Furniture	2000
Laptops	3500
Startup Inventory, Raw Materials	3800
Business Cards	100
Public Utilities Deposits	500
Website Domain	20
Office Machinery	3500
Monthly Payments	
Monthly Rent	200
Internet Connection	50
Advertising and Business Promotion	100
Office Supplies (e.g. paper)	20
Storage Facility	20
Utilities (electricity)	40

The table shows the startup costs for Circle of Friends. Based on the one time costs (such as office furniture and machinery) and monthly payments (such as rent and utilities) we will spend around \$14,900 to start Circle of Friends if it takes 6 months to get established.

**Cash Flow per Month**

Ideally, we would sell 450 bracelets for \$2 each per month. Thus, we would generate an income of \$900 off of selling bracelets. It would cost us about \$221 dollars to produce and ship these bracelets since it costs about \$0.38 to make a bracelet and about \$50 for shipping and handling. Taking into account the following liabilities, the total cash flow from operations would be about \$679 a month.

For financing the business, we will be utilizing \$100 per month through capital from our investors. We will have to pay \$20 a month to repay this investment. Interest is included on this repayment which means we will have to pay another \$10 a month. The total cash flow from financing would be \$70 a month.

*The net cash flow would be about \$749 a month.*

Description	Amount (\$)	Totals (\$)
<b>Cash Flow from Operations</b>		<b>+679</b>
Sales (paid in cash)	+ 900	
Cost of Materials	-221	
<b>Cash Flow from Financing</b>		<b>+70</b>
Incoming grant money	+100	
Grant repayment	-20	
Taxes	-10	
<b>Total</b>		<b>+749</b>

**Break-Even Analysis**

To pay off our startup costs, we would have to sell 7,450 bracelets each costing \$2.

**Financial Forecast**

The cost of employing anti-bullying programs in schools ranges from \$1300 to \$3000.

The grants we will be providing to schools will range from \$1000 to \$2200.

Ideally, we will be supplying a grant every 3 months in our first year of business.

After a year of establishment, we will then be supplying grants every two months for five years.

